

## **Intangible capital: Key factor of Sustainable development in Morocco**

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**ABSTRACT:** Sustainable development and intangible capital are concepts that appear in government policy action plans, and they have multiple ecological, economic, institutional and cultural challenges. Conscious of the strategic importance of these processes, whose main idea is to create employment and added value while ensuring respect for the environment, Morocco must meet the challenges posed by global warming, protection of the environment and the exploitation of intangible capital. The unique challenge of national development and economic growth lies in the improvement of Moroccan institutions and their governance, noting that World Bank studies show that, sustainable and equitable development is essentially based on accumulation of intangible assets, which have only human, social and institutional capital. In so far as it concerns almost all dimensions and aspects of government policy, the twinning of sustainable development and intangible capital involves a broad program of actions.

The present work aims to address a number of issues, namely:

- Study the conceptual and regulatory framework of the concept of sustainable development in the Moroccan context;
- Determine the relationship between intangible capital and sustainable development;
- Identify challenges and opportunities for sustainable development to increase economic growth.

**KEYWORDS:** Sustainable Development, Intangible Capital, Economic Growth, National Sustainable Development Strategy of 2030.

### **I. INTRODUCTION**

Placed more than ever in the core of government policies, sustainable development and intangible capital have multiple ecological, economic, institutional and cultural challenges. Conscious of the strategic importance of these processes, whose main idea is to create employment and added value while ensuring respect for the environment, Morocco must meet the challenges posed by global warming, protection of the environment and the exploitation of intangible capital. Sustainable development requires economic development and growth to go hand in hand, creating decent jobs, reducing inequalities, improving human well-being and preserving natural capital. The unique challenge of development and economic growth at the national level lies in the improvement of Moroccan institutions and their governance. It should be noted that studies by the World Bank show that sustainable, sustainable and equitable development is essentially based on the accumulation of intangible assets, which are nothing other than human, social and institutional capital. In so far as it concerns almost all dimensions and aspects of government policy, the twinning of sustainable development and intangible capital involves a broad program of actions. Different indicators of simple and understandable economic measures presented by several actors in the economic life, in particular: the measurement of the creation of employment, the development of the activities of the renewable energies, the indices related to the structures of transport, constructions integrating the criteria of preservation of the environment .... These indicators should distinguish in a more relevant way environmental assets (energy resources, water resources, pollution levels, etc.) and intangible assets (education, health, consumption, employment) in order to valorize all the issues related to sustainable development in consultation with intangible capital. The purpose of this work is to study the conceptual and regulatory framework of sustainable development, analyze the overlap of intangible capital and sustainable development and finally identify challenges and prospects for sustainable development in Morocco.

### **II. CONCEPTUAL FRAMEWORK FOR SUSTAINABLE DEVELOPMENT**

Sustainable development is an abstract term to define, its composition remains easy to understand except that its meaning seems less concrete. Everyone can create their own definition of this notion that depends on a number of criteria,

including the vision, the strategy or the objectives assigned to this term. The first definition of sustainable development emerged in 1987 in the Brundtland report published by the World Commission on Environment and Development: "Sustainable development is development that meets the needs of the present without compromising the ability of future generations to meet theirs. Two concepts are inherent to this notion:

- The concept of "needs", and the particular needs of the poor, who should be given the highest priority;
- The idea of limitations imposed by the state of technical and social organization on the ability of the environment to meet present and future needs. "

In order to be able to account for the differences between several definitions of the same concept, several definitions of sustainable development have been cited by several authors, which are summarized as follows:

**Table n ° 1:** Table summarizing the definitions proposed by some authors

Authors	Definitions
Ignacy Sachs <sup>1</sup>	It is the endogenous and dependent development of its own forces, subject to the logic of the needs of the entire population, conscious of its ecological dimension and seeking a harmony between man and nature.
Doucet, Laval Et Favreau <sup>2</sup>	It is the refusal of uprooting, to see one's locality, one's village or one's neighborhood driven by demographic decline and the decline of its local economy, with the resulting lack of services. Contemporary sensitivity to protecting the environment has reinforced this community's desire for resilience local. Local development is an intervention strategy that has its own characteristics, characteristics that it borrows from this specific situation.
PECQUEUR, Bernard <sup>3</sup>	<p>In general terms, sustainable local development, in its most spontaneous aspects, describes how the producers of goods and services adapt to and adapt to the profound changes in the global economy. This passage through a reterritorialization of the strategies of actors is accompanied by a globalization of exchanges.</p> <p>This would tend to show that, today, the internationalization of markets requires, as a first quality, the capacity to adapt and innovate, more than the only capacity to produce. The territory becomes the crucible of planetary changes. In short, the local and the global are the two facets of the same movement of adjustment. Local development is not an ideology in that it does not trace a single, forward-looking path.</p> <p>The redistribution of the cards, of which it is only the sign, will certainly produce new inequalities between those who will have been able to adapt and the others. Only the criteria of space differentiation change. Managing these new inequalities involves compromises and public policies that are still largely to be discovered.</p>

Source: Authors, based on the references mentioned at the bottom of the pages.

In 1992, the Rio Earth Summit, held under the auspices of the United Nations, formalized the concept of sustainable development and the three pillars (economy / ecology / social): an economically efficient, socially equitable and ecologically sustainable development. All sectors of activity are concerned by sustainable development: agriculture, industry, housing, family organization, but also services (finance, tourism ...) material or immaterial. More simply, sustainable development is a mode of development that aims to meet the needs of all without degrading the environment. It is governed by several legislative and legislative texts which are the subject of the second part.

### III. REGULATORY FRAMEWORK OF SUSTAINABLE DEVELOPMENT

Sustainable development occupies a primary place given its presence in several institutional references and regulatory texts, notably the new constitution and the framework law 99-12 on the national charter for the environment and sustainable development. Sustainable development requires a number of intervention principles put in place focusing on government policies, strategies and economic actors. In this sense, the purpose of this section is, firstly, to study the various legislative texts that govern the concept of sustainable development, and secondly to identify the said principles of intervention.

**Statutory texts:** The 2011 constitution unquestionably brought more depth to the anchoring of the concept of human and sustainable development in Morocco. It devotes several articles which relates to the definition and the principles of this development.

**Table n° 2: Articles of the constitution concerned with sustainable development**

<b>NEW CONSTITUTION OF 2011</b>	<b>Article 31</b>	Sustainable development is a right of all citizens.
	<b>Article 35</b>	The State works for the achievement of human and sustainable development, capable of consolidating social justice and preserving national natural resources and the rights of future generations.
	<b>Article 136</b>	The territorial organisation of the Kingdom is based on the Principles of free administration, cooperation and solidarity. It ensures the participation of the populations concerned in the management of their affairs and promotes their contribution to integrated and sustainable human development.
	<b>Article 152</b>	Expansion of the area of competence of the Economic and Social Council (EESC): it gives its opinion on the national economy and on sustainable development.

Source: New Constitution of 2011.

Still in the regulatory and legislative framework, the framework law 99-12 on the national charter of the environment and sustainable development defines sustainable development as a development approach which is based in its implementation on the inseparability of the dimensions. the economic, social, cultural and environmental aspects of development activities and to meet the needs of the present without compromising the ability of future generations in this area.

**Table n° 3: Articles of the Law 99-12 concerned with sustainable development**

<b>Law 99-12 On the National Charter on the Environment and Sustainable Development</b>	<b>Article 10</b>	Sustainable development is a Fundamental value that all components of society are expected to integrate into their activities.
	<b>Article 12</b>	Sectors and activities related to Energy, water, agriculture, marine fisheries, transport, tourism, urban planning, construction and building, waste management and industry in general, are considered sectors and activities with a high potential for sustainability and a priority in terms of the need to respect sustainable development.
	<b>Article 14</b>	Within one year, from the date of publication of this Framework law, the Government adopts the National Strategy for Sustainable Development

Source: Law 99-12 on the National Charter on the Environment and Sustainable Development

In addition, this law sets the basic objectives of the State's action in terms of environmental protection and sustainable development.

It aims to:

- Strengthen the protection and preservation of natural resources;
- fight against pollution;
- Integrate sustainable development into sectoral public policies;
- Adopt a national strategy for sustainable development;
- Harmonize the national legal framework with international standards related to the protection of the environment and sustainable development.

As part of the strengthening of the legal framework, other laws that contribute to sustainable development are being published, namely:

Laws	Titles
31-13	Bill on the right of access to information
50-13	Draft law on regional planning
42-13	Draft law on the preservation of fisheries ecosystems and the protection of the marine environment against pollution

After citing the various texts and laws that regulate the concept of sustainable development, it cannot be effective without the application of the principles of intervention.

#### **Principles of intervention in the field of sustainable development**

Sustainable development requires a number of principles of intervention for the proper application of this concept, including:

**1. Integration:** It is a question of adopting a global approach which touches all sectors political, economic, social, during the development of strategies and plans of development in the medium and long terms.

**2. Territoriality:** This principle must take into consideration the regional and provincial dimension to ensure equitable and balanced sustainable development of the territories.

**3. Solidarity:** This societal principle aims to ensure national cohesion and reduce vulnerabilities.

**4. Precaution:** This precautionary principle takes into account economic and social measures to cope with potential risks and damages.

**5. Prevention:** It consists in putting in place means of evaluation of the impacts of the dangerous activities to the environment to reduce their effects or to eradicate them.

**6. Liability:** Demands the responsibility of each economic actor, natural or legal person, public or private, concerning environmental damage.

**7. Participation:** The participation of companies, associations and the population are mandatory in the implementation of action plans related to sustainable development.

#### **IV. INTANGIBLE CAPITAL ESSENTIAL COMPONENT OF SUSTAINABLE DEVELOPMENT**

The role of the individual in nations is explained by the rise of human capital theories. Many economist thinkers see human capital as an integral and essential component of the economy. According to Gary Becker, human capital can be defined as "the set of productive capacities that an individual acquires by accumulating general or specific knowledge, know-how" Investment in men is an essential condition for economic progress. Countries

must focus on their people because they are their most inexhaustible resource. Intangible capital brings together all intangible assets, it consists of an image capital that includes the image, reputation and reputation of a nation, a relational capital that is determined by the weight of the country at the scale international and the different relations of partnership and human capital characterized by the value of skills held by individuals of a country (craftsmanship, industrial ...). Given the link between these three different components of intangible capital insofar as the intervention of the human being is omnipresent, several economist researchers refer the concept of immaterial capital to human capital. Human capital is an asset, a wealth, a stock that can provide income. Since it is a subset of this global notion of intangible capital, human capital is a stock of knowledge and experience accumulated by its holder throughout its life by investments. If an investment is an operation carried out by an economic agent to acquire means of production, in the particular case of human capital, it is for the investor to increase his productive potential and his future productivity. According to Simon Gray, intangible capital is the largest share of national wealth in the vast majority of countries. For the least developed and middle-income countries such as Morocco, the share of intangible capital in the national wealth is between 50% and 70%. For ten decades, Morocco has engaged in several sectorial reforms. The valuation of human capital and the consideration of the environmental component is mandatory to achieve the objectives assigned to these reforms. Intangible capital is placed at the center and nucleus of the environment, and the well-being of the individual is linked mainly to the climate and environment in which he lives, through the incentives and support measures put in place for his protection.

## **V. CHALLENGES AND PROSPECTS FOR SUSTAINABLE DEVELOPMENT IN MOROCCO**

### **V.1 Challenges of sustainable development in Morocco**

Although Morocco has a relatively high level of intangible wealth, despite weak human capital and promising prospects for progress within a favorable business climate, many major challenges remain:

- Continued increase in energy prices or food prices,
- Negative effects related to climate change,
- Exhaustion of natural resources,
- Low economic growth,
- Amplification of social inequalities,
- Education

These challenges present challenges to be overcome in order to ensure a complete transition to an "emerging" country and achieve satisfactory levels of economic growth.

**Efforts to deploy:** The wealth of high-income countries depends primarily on the intangible capital they hold. The level of natural capital and productive capital are strongly influenced. Morocco should focus its efforts on optimizing its wealth intangible for the sustainable development of its economy and in particular its natural capital, which remains very Difficult to quantify, immaterial wealth includes several assets based on human, social, and institutional dimensions. For a long time, it was considered that the immaterial was only of a human nature. Human capital is based on the know-how of the workforce: education and skills (talents, learning skills). In the case of Morocco, the value of this component remains relatively low, despite the many efforts undertaken by the government. These challenges could have hampered the development of Morocco, but by capitalizing on the major reforms undertaken in recent decades and the enhancement of human and intangible capital, Morocco has greatly accelerated the pace of its achievements that can give the country a visible boom and recognized through the controlled leadership of several key structural projects, including:

- **Strengthening the economic Framework :** Debt reduction and maintenance of macroeconomic balances ;
- **Implementation of major transport infrastructure** with the policy of major projects (motorways, ports, airports);
- **Implementation of proactive sectorial policies:** Green Morocco Plan, Emergence Plan I, II and Industrial Acceleration, Vision 2010 and Vision 2020 of tourism, Rawaj Plan, Digital Morocco Plan at the level of technology, Halieutis Plan, Logistics Strategy 2030, Strategy Morocco Innovation, Energy Strategy;
- **Implementation of a renewable energy promotion and energy efficiency policy:** Strengthening the regulatory and institutional framework, economic incentives, Solar Plan, Wind Plan;



- **Establishment of an environmental upgrading policy:** institutionalization of sustainable development (National Charter for the Environment and Sustainable Development), strengthening of the regulatory framework, National Liquid Sanitation Program (NAP), National Management Program Household Waste (PNDM), Creation of the Moroccan Center for Cleaner Production (CMPP).

**Promotion of human development, intangible capital and social solidarity:** National Initiative for Human Development (INDH), Establishment of the Medical Assistance Plan (RAMED) for the benefit of the poor population, establishment of the Insurance Compulsory Medical (AMO), generalization of schooling, education reform, access to drinking water in rural areas (Program of Provisioning Drinking Water for Rural Populations - PAGER) and rural electrification (Electrification Program Rural Global - PERG), National Program of Rural Roads (PNRR).

**Environmental emergency:** Finally, the environmental issue, usually shelved, is today at the forefront of the scene especially through the organization of the COP22 held in November 2016 in Marrakech. The urgent need for the government lies not only in the treatment of classic environmental issues but also in the preservation of its natural resources in the long term. Six million tons of waste are produced annually and their mismanagement is responsible for the deterioration of the quality of life, the degradation of the environment and therefore other aspects will be affected namely the social, education and health component. In urban and rural areas. Awareness-raising campaigns to respect the natural environment have certainly opened the eyes of Moroccans on their exceptional ecological heritage, but only a strong will of the State combined with solid funding will perhaps draw the contours of a future better.

## **V.2 Prospects for sustainable development in Morocco**

Morocco has signed the main international and regional conventions on the environment and sustainable development. Among these international commitments is the elaboration of a National Strategy for Sustainable Development. Adopted by the Council of Ministers on 25 June 2017, the SNDD-2030 aims to achieve a gradual transition towards a green economy, taking into account environmental challenges, by promoting human development and social cohesion, and by consolidating in a sustainable way economic competitiveness. To reach this objective, seven major issues have been identified as pillars of this strategy and have been broken down into 31 strategic axes and 137 objectives, with precise indicators, which makes it a tool for reference and convergence of different public policies. aimed at the sustainable development of Morocco. Morocco has all the necessary assets for achieving sustainable development calling for the consolidation of the legal arsenal in this area, the establishment of the bases of sustainable development, the distinction between economic development and mass exploitation natural resources, through the acceleration of the transition to the green economy and the monitoring of the implementation of the strategies of all the departments, in order to facilitate the evaluation operation. In this sense, a governance framework has been set up with two committees, in this case a strategic committee with a political and strategic orientation role and a steering committee with an effective role in monitoring the implementation of this strategy will enable the sectoral policies in force to be given a sustainable dimension and new concepts to be created when future action plans are drawn up in order to achieve the desired convergence between all the sectoral initiatives. This strategy is an illustration of Morocco's commitment to the promotion of sustainable development, embodied in the provisions of the new constitution of 2011, and by the framework law 99-12 on the National Charter for the Environment and Development. sustainable development. It aims to successfully transition to a green economy through seven strategic issues, namely:

- consolidation of the governance of sustainable development;
- Successful transition to a green economy;
- Improvement of the management of material capital;
- The valorization of natural resources and the conservation of biodiversity;
- The acceleration of the implementation of the national policy to fight against climate change;
- Promoting the development of intangible capital and reducing social and territorial inequalities;
- The consolidation of the culture of sustainable development.

Accompanying measures must be implemented in order to achieve the objectives defined by the national strategy for sustainable development, this is the case for scientific research focused on training, awareness-raising and the valorization of know-how and the skills of individuals, which has always been an essential lever in taking into consideration the issues and conditions of sustainable development. Research and development, prevent risks, identify problems, give a clear view of the issues and propose appropriate solutions. Citizen

awareness, training and the integration of the notion of sustainable development in education and teaching are essential for the success of the strategy of sustainable development and economic growth

## **VI. CONCLUSION**

Today, sustainable development and the valorization of intangible capital must move from theory to practice. That is, the principles of these concepts must now become principles of life and action. Public institutions, enterprises and other economic actors must manage their productions according to the principles of sustainable development, and taking into consideration the value of intangible, human and social capital in order to improve their impact on the economy and on the society. The goal of sustainable development is to define viable patterns that reconcile the three ecological, social and economic aspects of human activities: "three pillars" to be taken into account by communities as well as by businesses and individuals. The purpose of sustainable development is to find a coherent and viable long-term balance between these three issues. Stakeholders in Morocco are aware of the importance of intangible capital and sustainable development integrating economic, environmental and socio-cultural considerations. The predominance of small businesses in the economic fabric clearly shows that the promotion of development requires integration into small and medium-sized enterprises. Certainly, several initiatives have been taken by different actors, but the impact is still very limited and the margin of effort to deploy very large. Morocco will be able to accelerate economic growth and create jobs and catch up with developed countries by investing in its immaterial and human capital, modernizing its economy and improving the performance of its public institutions. This is the conclusion of the World Bank's latest economic memorandum devoted to Morocco entitled: Investing in Intangible Capital to Accelerate Economic Emergence. To achieve this strategic objective, Morocco will have to invest more in its human capital, and in particular in two crucial sectors in the long term: education and health, sensitize all the actors on the importance of the environment and to broaden the economic outlook, promote economic growth and accelerate the pace of development.

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